
From: Austin Frazier [mailto:austinfraz@bellsouth.net]
Sent: Tuesday, December 11, 2007 10:30 AM
To: Corriveau, Bruce L
Cc: Kasten, Roxanne H
Subject: Agreement

Bruce, I have thought long and hard about where we stand with respect to your company. I have gotten legal advice that has helped me work thru some of the issues. We want to give you and your organization what you want and to make St. Paul whole at the end of the day. This is the way that I feel and I will list the reasons as to why. If we agree to sign this agreement then it leaves the issue open of how these last projects would be completed. As you are aware, I want to finish all of them. I feel that it is in our and the bonding companies best interest for C.E Frazier Construction to finish them including the Science & Tech Building. We are so close on two of them and you are aware the Science Building will extend until September. I laid out a very fair overhead

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Exhibit
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scenario that drastically reduces the overhead because I know that has been a major issue with you... However, I cannot lose focus that I feel that I can definitely finish these jobs the most cost efficient way possible with the least increased exposure to the bonding company. I know for a fact that another company will not just come in and finish the Science building with our estimate and only adding 10%. They will claim increased general conditions and lord knows what else. The 500k increased difference will be three fold at the end of the day. I laid out a very fair add what I feel is an effective means to finish these projects. Furthermore, none of these jobs are in default. All these jobs have gone good except for the one the Tupelo office handled that I was not totally involved with. The owners are pleased with us on the three remaining and we have a good team in place. In summary, we will sign and move forward with every request that the Surety is making if we can finish our commitments as obligated and planned. I tried to make you a very fair proposal and hope that you saw it that way. I know that I am a good contractor that will finish these jobs in a good manner. I was dealt an unfortunate hand in some things but know it did not effect my ability to manage construction projects and bring them in. Please consider this. Thanks

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This communication, together with any attachments hereto or links contained herein,

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The Travelers e-mail system made this annotation on 12/11/07, 10:44:21.

Kasten,Roxanne H

From: Austin Frazier [austinfraz@bellsouth.net]
Sent: Wednesday, December 12, 2007 9:42 AM
To: Corriveau,Bruce L
Cc: Kasten,Roxanne H
Subject: C.E.Frazier Construction

Bruce, good morning. I had a chance to talk to my attorney and to several other people with experience in these matters. I would like to have the opportunity to again lay out the reasons that I want to finish all my projects including the Science & Tech Building.

*My attorney has said that a UCC filing will take precedent over any Writ of Garnishment if one might surface in the future. You referenced your were filing one or already did so this will give the Surety first right on contract funds. This should eliminate your worry on additional monies going to other issues. Futhermore, I know of no other ones that exist.

*The Surety needs me to help get all additional monies owed on these jobs and I am prepared to fight at all cost to get any issues resolved on the Airport project that the owner has absolutely no right to charge us a dime of damages. I know I will win this in the end and already started. It just kills me for an owner to turn on you at the very end like this.

*I have Pride in what I do. I know this is real irrelevant in your mind but it means alot to me to finish my obligations that I currently have

*I have spoken to two other individuals that are experienced in this work. I am certainly not taking away from your mass amount of expereince however I know for certain that some other contractor is not going to come in and finish the project at just 10% and use and go by the rest of our estimate. This number would be around 890k at just 10%. Other contractors are going to claim this as well am a consortium of other issues that will probably include increased general conditions, increased labor or not enough and no telling what else. I know you have referenced the other contractor would take over existing sub contracts but after researching these subs do not have to keep the same price if it is assignable. This project is in the rural delta. There is nothing around. This job bid once before and was 30% over budget. Other contractors are going to put a huge price tag on this. Ther is a building on campus that cost 12 mil seven years ago that had water damamge and the bid to fix it was just 9mil. The cost up there is terrible. Others have confirmed my beliefs that we feel that this 890k that you reference would be more like 2.5 mil which ultimately the Surety would be pursing us for. I am not in agreement with this at all and feel like I made you a fair deal to bring this in and reduce all parties exposure. If would make you feel better to not pay me the last few months that is fine. I just want to finish my obligations and have no doubt I can do it at a fraction of the cost.

*I have a great superintendant on site and you can confirm this with Andy. I am suppose to be meeting him there next Tuesday and he can see the huge progress that has just benn made in two weeks. I have a deal in place with him to keep him on site thru the end of the project. He drives back three days a week and stays the others. He is not scared to work any hours and the campus and archtiect like him. These people are hard to come by. In summary, we will commit to sign your agreement based on us finishing our obligations. As you are aware, I am chocked off of funds at the current time due to the letters that were sent out. I am currently owed 657k that I need to make current obligations and keep the jobs going. I have no money for payroll as you are aware. The Science building will be shut down come Friday without relief. I have a meeting tomorrow and i have no idea what to tell the two major subs. I could have taken them there check if I would have gotten this other money. I sincerely hope that you consider this propasal and lets move forward. thanks

12/12/2007